

CHALLENGES FACING ENTREPRENEURS IN NIGERIA

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It is axiomatic to posit that entrepreneurship is a major contributing factor to economic growth and development in any polity. However, entrepreneurial ability and leadership tend to be relative lacking in Nigeria as a result of many factors inhibiting affecting its growth and development. However, Nigeria still falls far short of the economic and social progress required to impact the well being of the average Nigerian given that over half of Nigeria's population live on less than one dollar a day. Nigeria is also one of the top three countries in the world that have the largest population of poor people. In addition, Nigeria remains off track on achieving the Millennium Development Goals (MDGs), including the goal of halving the number of people who live in extreme poverty. The economic reforms have not been sufficient to reverse years of economic decline, deteriorating capacity, weakened institutions and inadequate infrastructure investment while the recent dramatic stock market decline and banking crisis, and the global economic crisis have accentuated the situation. This paper investigates these factors militating against the development of entrepreneurship in Nigeria. It explores both theoretical and empirical literature as base for the study. Despite all the efforts of government, progress of entrepreneurs in Nigeria is still limited due to financial, infrastructure and business climate challenges. It can be logically correct to conclude from the above theses that these challenges still constitute obstacles to entrepreneurs in Nigeria and have not been surmounted.

Keywords: Entrepreneurs, Small-medium scale business, Business climate, Infrastructure and financial challenges, Government policy and Socio-economic development.

Introduction

Nigeria, the most populous country in Africa, is naturally endowed with millions of acres of arable land, 38.5 billion barrels of state oil reserves, vast gas reserves, a variety of unexploited minerals, and a wealth of human capital by virtue of its estimated population of 150 million. It is the world's eighth largest exporter of oil, and Africa's second largest economy, after South Africa. Nigeria accounts for 15 per cent of Africa's population, contributes 11 per cent of Africa's total output and 16 per cent of its foreign reserves while it accounts for half of the population and more than two-thirds of the output of the West Africa sub-region. It has been at the forefront of the resolution of many political challenges in Africa. Over the last decade, Nigeria has implemented far reaching economic reforms aimed at improving macroeconomic management, liberalizing markets and trade, and the business environment.

The recent developments on the Niger Delta agenda is a sign of the commitment and determination of the government to address its seven-point reform agenda which covers critical reform priorities, notably, essential infrastructure, Niger Delta regional development, food security, land tenure reforms and home ownership, national security and wealth creation. In recognition of this progress, the United Nations Development Program (UNDP) indicated that recent improvements in development policy and performance mean that the country now benefits from a positive medium-term economic outlook (UNDP, 2009).

However Nigeria, still falls far short of the economic and social progress required to impact the well being of the average Nigerian given that over half of Nigeria's population live on less than one dollar a day. Nigeria is also one of the top three countries in the world that have the largest population of poor people. In addition, Nigeria remains off track on achieving the Millennium Development Goals (MDGs), including the goal of halving the number of people who live in extreme poverty. The economic reforms have not been sufficient to reverse years of economic decline, deteriorating capacity, weakened institutions and inadequate infrastructure investment while the recent dramatic stock market decline and banking crisis, and the global economic crisis have accentuated the situation (Oteh, 2009).

The enormity of the challenge is corroborated by Nigeria's low score on the Human Development Index (HDI), an index that measures the average achievement of a country in terms of the welfare and quality of life of its people. Nigeria ranks behind numerous countries with similar sized economies and with a rank similar to smaller economies like Liberia and Malawi. At 10 percent of live births, Nigeria's infant mortality rate is one of the highest in Africa and is worse than those of Ghana, Burkina Faso, and Benin respectively at 6, 8, and 9 percent. In 2010, it is estimated that 25 million children will be born in Nigeria, and about 5 million children will die before they reach the age of five, representing about 10 percent of global childhood deaths. Very few Nigerians have access to essential drugs and there are 3 physicians per 10,000 people, while skilled professionals assist only one third of deliveries. Immunization coverage fell from around 30 percent in the early 1990s to 13 percent in 2003. Access to safe drinking water in 2006 was limited to about 47 percent of the population (30 percent for the rural and 65 percent for the urban population). Estimates suggest that some 35,000 children under five die each year due to lack of safe water and sanitation. Debilitating non-fatal cases of diarrhea are estimated at around 21 million per year. The education enrolment rates are low. In 2002, enrolment figures stood at 24.6 million for primary and 6.3 million for secondary education. The quality of schooling is adversely affected by large class sizes, limited pupil-teacher contact, lack of teaching materials and equipment, and widespread lack of qualified teachers (23 percent of teachers do not have Teachers Grade 2 Certificate). The state of tertiary education poses an even greater challenge. Of those students who do complete secondary education, only 15 percent are admitted into tertiary education, with total enrolment at only 948,000. Tertiary education suffers from poor funding, enrolment expansion beyond the capacity of facilities, and low educational quality (World Bank, 2005; World Health Organisation, 2008).

Poor access to infrastructure also affects a large percentage of the population. Only about one in every three households in rural areas has electricity and even when it is available, the supply of electricity is often unreliable. Forty per cent of electricity is generated privately and at a cost that is three times higher than electricity supplied from the grid. Fostering the private sector and entrepreneurship depends on a supportive business environment, yet Nigeria's business climate lags behind many countries in comparable positions (African Development Bank, 2005).

The Doing Business Index ranked Nigeria an aggregate 125 out of the 183 economies assessed. Nigeria's rank for each of the ten sub-indices is as follows: Ease of Doing Business 125, Starting a Business 108, Dealing with Construction Permits 162, Employing Workers 37, Registering Property

178, Getting Credit 87, Protecting Investors 57, Paying Taxes 132, Trading Across Borders 146, Enforcing Contracts 94 and Closing a Business 94. In comparing the countries listed, the documents showed that Nigeria has a relatively good Doing Business scores, they all had very good scores with respect to the ease of getting credit (World Bank, 2009).

The United States, on the other hand ranks third in the world in the overall ease of doing business according to the International Finance Corporation (IFC) Doing Business Index, because the regulatory and legal environment in the United States including policies related to technology transfer, patent protection and contract enforcement are widely acknowledged to be the most supportive for fostering entrepreneurs. Similarly, the other countries that are ranked highly have generally implemented wide ranging reforms, including macro- stabilization programs, price liberalization, privatization, and reducing trade barriers. They recognize that a growing economy thrives on a vibrant private sector in which firms are making investments, creating jobs and improving productivity is a crucial ingredient. They have used the policy environment to garner the entrepreneurial abilities of their population. While Nigeria has made progress in implementing reforms, more needs to be done as captured by almost half of survey of respondents by Transparency International to the 2007 Africa Competitiveness Report ranked access to finance, inadequate infrastructure and corruption as their top three impediments to doing business in Nigeria (Transparency International, 2007).

Similarly, in a 2008 report commissioned by the World Bank to assess the challenges confronting businesses in Nigeria a wide array of issues were identified as constraints to doing business. These include poor electricity supply, inadequate access to finance, poor transportation, unfriendly tax regime, poor access to land, high cost of finance, crime rate, corruption, political environment, customs and trade regulations, inadequately trained workforce and labor regulations. The report identified three issues as being the most critical impediment to doing business, power, transportation, and access to finance (World Bank, 2008).

In the 2009 Corruption Perception Index published by Transparency International, a global anti-corruption watchdog, Nigeria scored 130 out of the 180 countries surveyed, dropping nine places compared to one year ago. Nigeria also ranked 10th out of the 16 West African countries, 27th out of the 47 nations surveyed in sub-Saharan Africa, and 33rd out of the 53 countries in Africa. Botswana emerged first in both sub-Saharan Africa and the continent as a whole with a global ranking of 37 and a score of 5.6, while Cape Verde was ranked the best perceived corruption-free nation in West Africa with a score of 5.1 and a global ranking of 46. Ghana came second in the region, with a score of 3.9, a global ranking of 69th, and 7th for sub-Saharan African and Africa as a whole (Transparency International, 2009).

Corruption in politics; the law enforcement system, including both the police and the judicial system; taxes; and procurement specifically affects entrepreneurs. Corruption in these areas creates supply and demand distortions, favoring those entrepreneurs who have connections in the public administration, and creates disincentives to invest in human capital. The effect of corruption on entrepreneurship is even more insidious as corruption that develops to circumvent regulation and the high transaction costs that inevitably accompany it serve as taxes on entrepreneurs and SMEs, and disproportionately impact them more than larger firms (Oteh, 2009).

Oil still accounts for 95% of exports and 81% of government revenues, making Nigeria, the economy with the most highly concentrated export structure in the world, based on the United Nations Commission on Trade and Development (UNCTAD, 2008). It also exposes Nigeria to incredible fiscal challenges as exemplified by the recent decline of oil prices from a peak of USD 147 per barrel to a low of USD 40 per barrel. This is despite the government's laudable efforts to diversify the economy, as

since 2001, the non-oil economy has accelerated by more than 8 per cent, with increased agricultural production playing a key role.

In separate reports, the National Institute for Social Research (NISER) and the World Bank revealed that over 55 per cent⁹ of Nigerians of working age are unemployed, representing one in five adults. The World Bank report also indicated that only one in every ten graduates get a job while a recent report by the National Directorate of Employment (NDE) indicated that over 200,000 Nigerian graduates who completed the National Youth Service Corps (NYSC) in the last five years, remained unemployed.

Given the challenges that bedevil Nigeria, this paper seeks to identify and discuss these challenges facing entrepreneurs in Nigeria and suggest ways for addressing them.

Following this introduction on Nigeria's economic development challenge, the paper reviews entrepreneurship as a concept. It also presents a holistic framework for assessing entrepreneurship challenges. It concludes by calling on all stakeholders to play their part in leveraging entrepreneurship to unleash the wealth of human capital that Nigeria is endowed with so that more people can participate in the transformation of Nigeria.

Conceptualizing Entrepreneurship

As Agu (2010) posits, entrepreneurship can be viewed from different perspectives. Most time when we talk about entrepreneurship people think we talk straight about business. They believed that outside business there is no entrepreneurship but that is not true. For instances, there is entrepreneurship in the school, because a teacher can be an entrepreneur. There is entrepreneurship in religion, because a priest can be an entrepreneur.

There is also an entrepreneurship in business. Again even when we come into this issue in reality, some people believe generally that there are no entrepreneurs in Nigeria. Many believe that what we have in Nigeria and some others Asian countries are creative imitators not entrepreneurs. They are creative imitators because they think and consider only those who are inventing and they are those qualified to be called entrepreneurs. Others are saying that those who are inventing and those innovating, that is, those that are taking this invention to the market are those qualified to be entrepreneurs. In that regard, if you are not in these two categories you are actually not supposed to be called an entrepreneur. Countries like ours and in fact the merging market in Africa and some Asian countries actually are not classified based on that definition. Business people from these parts of the world are not called entrepreneurs but are rather called creative detectors.

Specifically, Carland et. al. (1984: 358) defined an entrepreneur as: "an individual who establishes and manages a business for the principal purposes of profit and growth". However, a closer look reveals that the question could actually be stated as: "Why does an entrepreneur start a venture?" - which was stated as a failure of trait theoretic approaches in Gartner (1989: 47). Since the principal purpose of a venture is to add value through profit and growth, it has to be innovative to gain the so-called abnormal profit or economic rent that may simultaneously be a necessary condition for growth. Thus the answer to why question is clear-cut: an entrepreneur expects economic rents to be available in the future. Hebert & Link (1989: 47) concludes that entrepreneur is a person, not a team, committee or organization. Their view is that this person has some comparative advantage in decision-making either because he or she will have better information or different perception of events or opportunities. They also argue that entrepreneurial actions are performed in all societies by individuals whose judgment differs from the norm (Virtanen, 1996: 2).

Pickle & Abrahamson (1990: 5, 9) introduced a compact definition of an entrepreneur. According to them,

An entrepreneur is one who organizes and manages a business undertaking, assuming the risk, for the sake of profit. The entrepreneur evaluates perceived opportunities and strives to make the decisions that will enable the firm to realize sustained growth.

The latter sentence according to Pickle & Abrahamson emphasizes the decision-making ability and growth objective of an entrepreneur. However, Pickle & Abrahamson's definition does not include any process characteristics thought to be important at least in high growth ventures (Virtanen, 1996).

Entrepreneurship is the act of being an entrepreneur or "*one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods*" (Shane, 2003). This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses (referred as Startup Company); however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations (Shane, 2003).

According to Paul Reynolds, (2007) entrepreneurship scholar and creator of the Global Entrepreneurship Monitor, "by the time they reach their retirement years, half of all working men in the United States probably have a period of self-employment of one or more years; one in four may have engaged in self-employment for six or more years. Participating in a new business creation is a common activity among U.S. workers over the course of their careers". And in recent years has been documented by scholars such as David Audretsch to be a major driver of economic growth in both the United States and Western Europe. As well, entrepreneurship may be defined as the pursuit of opportunity without regard to resources currently controlled (Stevenson, 1983).

Entrepreneurial activities are substantially different depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo projects (even involving the entrepreneur only part-time) to major undertakings creating many job opportunities. Many "high value" entrepreneurial ventures seek venture capital or angel funding (seed money) in order to raise capital to build the business. Angel investors generally seek annualized returns of 20-30% and more, as well as extensive involvement in the business (Stevenson, 1983). Many kinds of organizations now exist to support would-be entrepreneurs including specialized government agencies, business incubators, science parks, and some NGOs. In more recent times, the term entrepreneurship has been extended to include elements not related necessarily to business formation activity such as conceptualizations of entrepreneurship as a specific mindset (see also entrepreneurial mindset) resulting in entrepreneurial initiatives e.g. in the form of social entrepreneurship, political entrepreneurship, or knowledge entrepreneurship have emerged.

According to Otey (2009), an economist views entrepreneurship in the context of the combination of resources, labor, materials, and other assets such that their value is greater together than individually. From a management perspective, entrepreneurship would entail the introduction of a change, an innovation, or a new order. To a psychologist, an entrepreneur would be analyzed as a person typically driven by the need to obtain or attain a specific goal, to experiment, to accomplish, or perhaps to escape the authority of others. There is very little consensus on the definition of the term entrepreneur both within and across disciplines, most definitions nonetheless highlight qualities such as competitiveness, creativity, and the ability to grow a business (Wennekers & Thurik, 1999).

Otey (2009) concluded by positing that early this century, the concept of innovation was added to the definition of entrepreneurship. Innovation could be process innovation, market innovation, product innovation, factor innovation, and even organizational innovation. Both innovators and entrepreneurs can be engines of growth in a society. They invest in risky ventures, they bring new products to the market, and they adopt new production processes or improve existing processes. Later definitions described entrepreneurship as involving the creation of new enterprises with the entrepreneur as the founder. It is within this context that we shall equally conceptualize entrepreneurship.

Challenges Facing Entrepreneurs in Nigeria

For decades, Nigeria, Africa's most populous country, has experienced severe economic hardships. As a result of this ugly situation, poverty has been running unchecked, job opportunities have vanished, and Nigeria's prosperity has dwindled considerably. Many entrepreneurs have the initiative to start new ventures, but lack the skills, tools, and support to succeed. Corruption, economic instability, and a lack of infrastructure and management capacity have also combined to stifle new business growth. The table below captures the challenges in doing business in Nigeria in comparison to other countries listed.

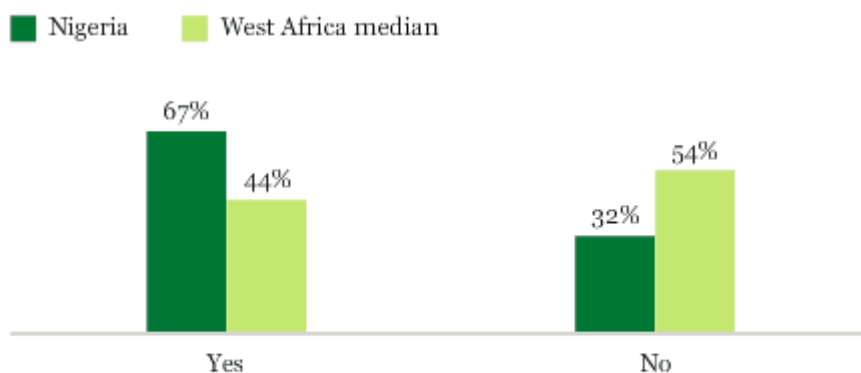
Doing Business Rankings – the importance of credit

	<i>Nigeria</i>	South Africa	Malaysia	Kenya	Brazil	Israel	Latvia	Singapore
Ease of Doing Business Rank	125	34	23	95	129	29	27	1
Starting a Business	108	67	88	124	136	34	51	4
Employing workers	37	102	61	78	138	90	128	1
Registering property	178	90	86	125	120	147	58	16
Getting credit	87	2	1	4	87	4	4	4
Protecting investors	57	10	4	93	73	5	57	2
Enforcing contracts	94	85	59	126	100	99	15	13
Closing a business	94	76	57	79	131	41	88	2

Sources: World Bank/IFC Doing Business Rankings 2009

A Gallup Poll conducted in Nigeria by Magali Rheault and Bob Tortora in 2008 shows that 67% of Nigerians have thought of starting a business -- one of the highest rates in West Africa.

Have you ever thought about starting a business?



The West African median includes Benin, Burkina Faso, Ghana, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, and Sierra Leone.

GALLUP POLL

Compared with other countries in West Africa, where the median percentage of respondents who say that they have thought of starting a business is 44%, the Gallup Poll suggests relatively high interest in entrepreneurship in Nigeria. Moreover, almost one-half (45%) of Nigerians say they plan to start a business in the next 12 months, suggesting a significant percentage of respondents have firm plans. Additionally, most Nigerians (80%) are very confident that a newly created business will do well in their country.

In Nigeria, we have to start looking at infrastructures, the knowledge (skills) base, the kind of policy that drives business. We can also look at challenges from the context/manner in which businesses, schools or religious organization are formed.

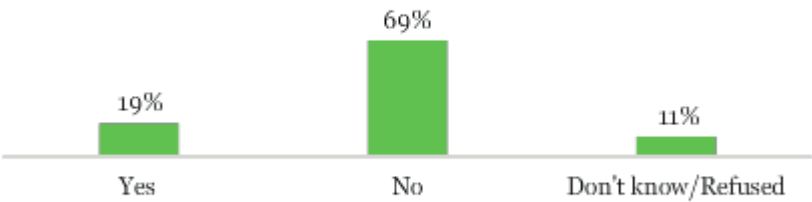
The GALLUP POLL also identified some demographic groups who are more likely than others to exhibit entrepreneurial spirit. Nigerians who say they have a job, whether paid or unpaid, are far more likely than those who don't have a job to express an interest in starting a business, 77% versus 53%, respectively. Seventy percent of Nigerians aged 19 and older say they have thought of starting a business, compared with 44% of those aged 15 to 18 who say the same.

Nigerian women (67%) are as likely as Nigerian men (68%) to say they have entertained the idea of starting a business. And when considering education levels, Nigerians with some university level education are as likely as those with a primary education or less to have considered starting a business.

For most Nigerians surveyed, their potential business would be an informal venture: 69% of respondents say the business they have in mind would not be formally registered, and just 19% say their business would be formally registered. Men (24%) are slightly more likely than women (15%) to say they would register a future business. Additionally, Nigerians with some university level education are far more likely (37%) than those with a secondary education (22%) or less (12%) to say their business would be registered.

Is the business that you have in mind a formally registered one, or not?

Based on all Nigerians surveyed



February 2007

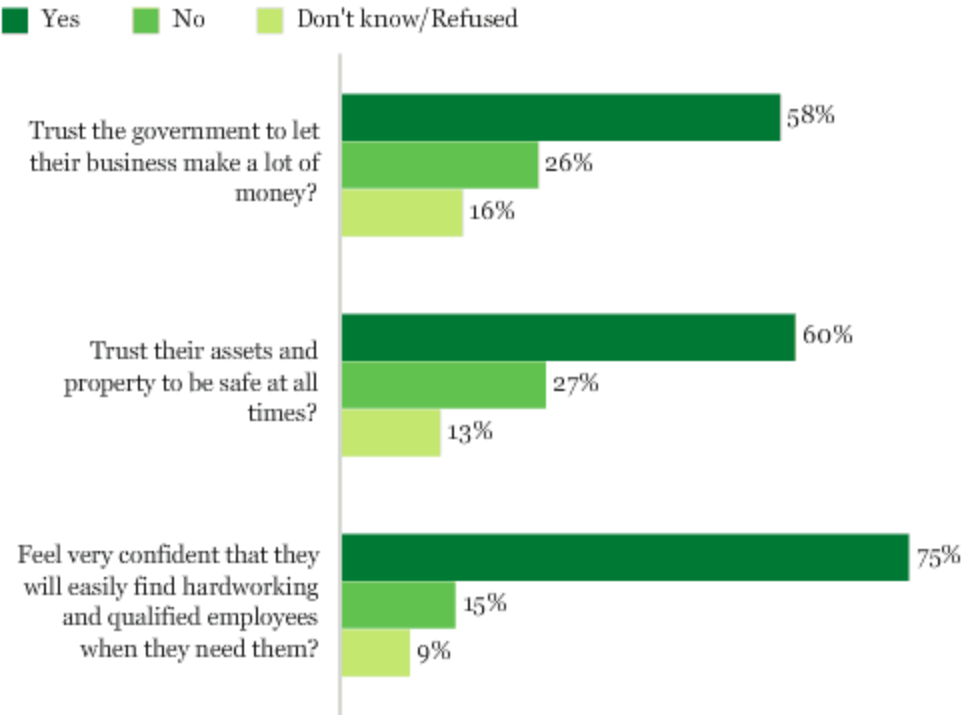
GALLUP POLL

GALLUP also looked at perceptions of social networks in the context of entrepreneurship. A slight majority of Nigerians (53%) say they know someone, exclusive of their relatives, whom they could trust enough to make that person a partner in a business startup. Men (57%) are slightly more likely than women (49%) to express such trust in non-relatives.

There are both opportunities and obstacles to entrepreneurship in Nigeria's business climate, which could influence a citizen's decision whether to start a business. On the one hand, the Gallup Poll findings show that Nigerians are confident in the availability of a qualified workforce, the protection of property rights, and the likelihood of financial success. Three-quarters of respondents say that an entrepreneur can feel confident that he or she will find hardworking and qualified employees when necessary. Nigerians also express relatively high levels of confidence that business assets and property would be safe at all times (60%). Furthermore, 58% of respondents trust the government will let entrepreneurs make a lot of money.

Potential Opportunities to Entrepreneurship

If someone wants to start a business in Nigeria, can they . . .



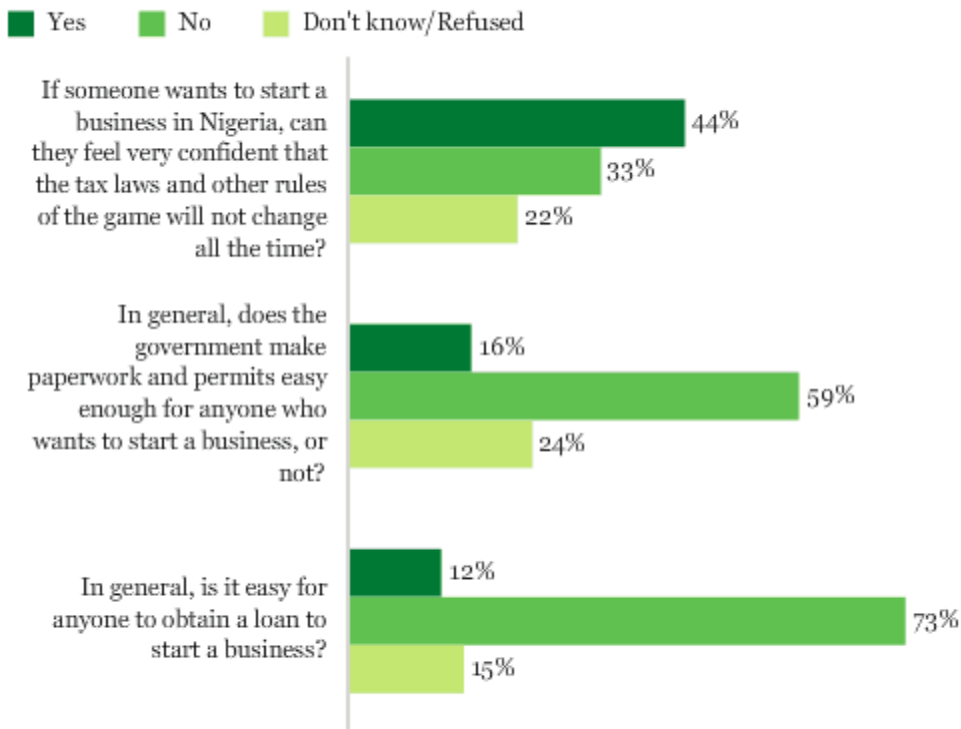
Based on all Nigerians surveyed in February 2007

GALLUP POLL

On the other hand, the poll findings put a spotlight on three important obstacles to entrepreneurship in the country. Almost three-quarters of Nigerians (73%) say it is not easy to obtain a loan. A majority of Nigerians (59%) also say that the government does not make the filing process easy enough for anyone who wants to start a business. Additionally, Nigerians are mixed on the constancy of the business regulatory environment. Forty-four percent of respondents say an entrepreneur can feel very confident that tax laws and other rules of the game will not change all the time, but 33% think they will change.

Potential Obstacles to Entrepreneurship

Based on all Nigerians surveyed



February 2007

GALLUP POLL

Taken together, the Gallup Poll findings suggest that Nigerians have a relatively strong drive for entrepreneurship. Many respondents believe that key elements of a strong business climate are present. However, as access to credit, the filing process, and other important indicators are perceived as obstacles to entrepreneurship, this may explain why most Nigerians don't intend to register their potential business (Rheault and Tortora, 2008).

Furthermore, the relatively high percentages of "don't know" responses with respect to the filing process and the regulatory business environment suggest that many Nigerians are either unaware of the national government's efforts to simplify the business start-up process or that further reforms are necessary (Rheault and Tortora, 2008).

In short, the biggest challenge facing the entrepreneur in the country is ignorance. This ignorance manifests in the way businesses are started. 90% of those who do business in Nigeria do businesses by themselves. People worked, resign and just start their own business without the basics. All they do is print business cards and letter-head papers, therefore business is born. There is no effort to start business as business should be started. You do not build a house by just thinking about a house and then one day you draw a line and start building (Rheault and Tortora, 2008).

As business man, you do your plan in good terms and based on the plan, create a model, from the model then start a business just as house is built. That is how business actually should be started. But here most people don't start business that way. "People just start business on the run and then learn on the go". That is why you have over 80% of our businesses in the informal sector. Because people really do not formalize their business formation and because they are not formalized they cannot go to bank to look for money which is another major constraint because there is nothing to present in bank. In reality, you do not need to have a business that is existing away from you. You understand your business and you know how to work it out but the problem is that when you travel your business travels because you are the business. But assuming for instance you have started your business by creating a foundational standard, in which case you have a model and a system and the business is away from you then of course, if you require money you can go to bank and say this is my business plan and this is my own understanding of this business, this is what I am trying to do, this is how I hope to do it, this is the benefit am looking at. With such robust model in place, your request will be considered if it is a bankable project and fund will be made available to you. When we are talking about ignorance in business, we are talking about uninformed business relation which flows out of businesses. There is also a lot of infrastructure constraint, of course, not just businesses but life here generally (Agu, 2010).

Results generated by GALLUP are based on face-to-face interviews with 1,000 adults, aged 15 and older, in Nigeria in February 2007. For results based on the total sample of national adults, one can say with 95% confidence that the maximum margin of sampling error is ± 5 percentage points. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

Specifically, Nigeria businesses do not have infrastructural support anywhere, whether in telecommunications, transportation, manufacturing, electricity supply, agriculture. Most people start their own businesses and then do virtually everything by themselves to succeed. For instance, in Nigeria, if you are to start something as small as barbing saloon and you have to rent a shop and pay two years minimum with whatever condition the landlord says. Here, there is nothing like the state says this is what must be done in terms of rules and regulations. It is whatever the landlord says. A business man also have to go through the process of generating own infrastructure like buying a generator because here, the PHCN is standby while generator is the main source of power. On the other hand, of course, government is making effort to develop and establish some programmes.

For instance government is presently developing business facilitation centers like SMEDAN in the country but of course, we are far from what the ideal situation should be because for instance how many SMEDAN centers do we have in our major city or about the entire country? They are very few. Comparatively, in the developed world such as US for instance every major city has over 10 agencies that will support businesses. It could be the one that educate people on how to do business plans; that provide basic training that will give the needed tools to do business as well as the one that can guide on how to raise finance. It could also be the one that helps to manage your personal resources. So at every stage you are, there should be an agency that provides some levels of support to your need. That is necessary because most time people go into business without having all the necessary details. Even if they have, they do not always have them put together so, those are some of the constraints facing the entrepreneur (Agu, 2010).

There are many other key challenges influencing the activities of entrepreneur in Nigeria. The entrepreneurship activity in Nigeria is primarily based on necessity rather than economic importance.

The Nigerian economy that has been on the decline since the 1980's has created a hostile environment that is unfavourable to entrepreneurial success. The decadent state of infrastructure in Nigeria limits entrepreneurial effectiveness and remains a barrier to success. Also the high cost of doing business in Nigeria, such as the lack of adequate electricity and basic needs by a large amount of the population stifle entrepreneurial activity. Another key problem is the difficulty in obtaining venture capital to finance entrepreneurial intentions due to the political and economic instability.

Other constraints are the stiff policies of the Nigerian government that remain barriers to the success of large-scale entrepreneurial success for many Nigerians. Not left out is the corruption and greed that is the common language in government functions. Also the government systematically ignores laws that are already in place to promote free enterprise. There is also lack of enforcement of Nigerian patent laws which discourages entrepreneurs from commercializing their ideas and inventions. The constant political turmoil in the country greatly limits foreign investors who would be willing to provide resources for entrepreneurship in the country. And lastly, the political and social movements strongly affect the level of entrepreneurial activity in Nigeria. Religious intolerance and ethnic warfare limit country progress in some areas of economic development (Agu, 2010).

These are some of the challenges entrepreneurs face in Nigeria and that is why they are failing. Everybody has narrow view of what entrepreneurship is all about or narrow view about how they should be done.

Policies or Programmes to Check these Challenges

The set of Nigerian economic policies since 1999 provide adequate guide for the nation. The key policy background states: "Government will provide affordable quality education for all Nigerians, the Universal Basic Education and mass Adult Literacy programs will be pursued in earnest" and in particular, "Government will create incentives to expand access to information and communications technology which will facilitate a leap-frog in order to short-circuit the longer span of development" (Agu, 2010).

The policy even recommends partnerships with national and international agencies including the United Nations Transfer of Knowledge through Expatriate Nationals program or TOKTEN as it is commonly known. But making policies is never the problem, achieving the objectives of the policy is the key issue (Agu, 2010). We as country have failed in that aspect. The central distinction between developed and developing nations often lies in the wide disparity between policy pronouncements and policy implementation. Often, signs of this disparity are found in the extent that policies are clear and measurable and that application is consistent. Often Nigeria and other developing nations adopt excellent policies and guidelines that could, if well implemented, change the futures of their citizens but they are often not followed through. If Nigeria follows-through with its new laws guiding education, business, governance, and technology with action and implementation, and the people of Nigeria attain their educational goals and professional potential with the tools available to the world today, Nigeria will witness the transformation that will make her a third world giant. SMEDAN is also an effort by government to provide business facilitation and support to small and medium enterprises. The question now is, is SMEDAN doing it? And even if they are doing it, how are they doing it? The other simple question is providing business facilitation is just one thing, business facilitation could come in various forms. It could be for raising funds, training, guiding some body, or it could just be for sitting down to counsel the person and mentor the person, and so many other ways. But in our society, these things are not working. The issue here is not just a matter of establishing an office, but how effective is the office.

Is it efficient? Is it attaining the need for which it was established? Other government policies and programmes aimed at promoting entrepreneurship in the country are: The UBE and Adult Literacy Programme by the Federal Government to educate Nigerians, the Human Apprenticeship Schemes (HAS) established by the government to promote the Small and Medium Scale Enterprises in the country, the Entrepreneur Training and Development Programme (ETDP) and the Development of Allied Agro Industries by the Federal Government. So, whether the government is doing something? Yes, but how effective is what they are doing? For instance CBN tried to create a fund or a source of fund for small and medium enterprises. Government in collaboration with the CBN and other agencies flagged off the SMIEIS Scheme in 2001 to promote the SMEs. The programme was an arrangement between the bank and federal governments through the central banks of Nigeria for banks to set aside 10% of their net income to support private sectors initiative. This programme failed completely because of ignorance on side players. The banks that are supposed to drive the programme do not even understand the framework, even though it was their own. On the other hand those who were supposed to benefit from the programme still do not understand it because they were not educated. It was a beautiful opportunity we had for more than four years, nobody utilizes it. As at 2002 over about N12.37 billion was set aside by the banks out of which only N1.73 billion has been invested. This amount of money could fund significant amount of projects in different zones, but this did not happen (Oteh, 2009). Most of them that happened, happened in Lagos area and all happened because people happened to know people. If you have person in any of the bank, you get funding, but you won't get funding because you have a great idea. Again, there were lack of coordination; there were no enough enlightenment because those who were managing it did not do what they were asked to do. Those who were supposed to access the fund again did not know that the funds were there and in some cases when they know the collateral and other conditionality that was build around won't allow you to even get it.

These were some of the things that happen in that time. We hope that the current effort won't be like the wasted past. This is because it is not a matter of effort making, but to what direction and what outcome have we been getting? That is it (Wennekers & Thurik, 1999).

Recommendations

Strictly, everything must start from gaining consciousness which implies educating the people on the issue of entrepreneurship. There are no other ways to do it than to start the education right from primary school and let people understand that entrepreneurship really is about bringing out the gift God has given them and not the certificate. There should be concerted entrepreneurship training that will bring out the gifts already in the people and to harness them through well focused and designed educational programme. If that is done in Nigeria from primary, secondary and tertiary level, most people will come out of school knowing full well that they are supposed to fend for themselves and not waiting for government or seeking for jobs that are not even there. It gives people the opportunity to build themselves because they would have known who they are. If we don't know who we are we can't really do much in life. Once you realize yourself, the issue becomes how to express it. You then know where you are going to, because our biggest problem is ignorance. Another issue is that when we start entrepreneurship from school we have to be sure that the environment will make it possible for us to become creative because entrepreneurship is about creativity and new combination. If we are stressed up, angry, or hate the system, we will not have the calmness or peace of mind to think about how we can produce or repackage our products or services. When the government educates people, she has to equally provide the needed conducive environment and the support for the people. Without that, entrepreneurship will not have any headway. If laws and regulations are in place then we can imitate, exploit, innovate and develop national interest, then in turn harness opportunities. With over 150 million

people and the kind of landmass that we have together with our natural resources, there won't be anything we cannot do. So even if we have all the opportunities but cannot recognize those basic issues, it is still useless to talk of entrepreneurship. Again, people are not unemployed because there are no opportunities, it is because they cannot see the opportunities or when they see them they cannot perceive them. In Nigeria, there are no foundations. Business roadmaps are not well built. Building a business is like building a house. It wouldn't work without knowing the life line and perfect plans. A good business should have a milestone of life plan and support. It should not be the other way round, because what we do here is to lift our business blindly, rather than the business to be for us.

Conclusion

Economic growth generated by entrepreneurs is the core engine of a virtuous cycle that develops an economy. Successful entrepreneurs, through their breakthrough technologies and rapidly growing businesses, create new wealth that can generate even greater economic growth. The policy environment needs to be one that will foster the growth of entrepreneurs. The burden is on policy makers to understand the key factors that help entrepreneurs to thrive. Some of the issues that require close attention include addressing infrastructure constraints, the disproportionate regulatory burden that entrepreneurs have to carry, enhancing access to finance and the overall health of the capital markets, the financial incentives for entrepreneurs, and the protection of intellectual property. A thorough analysis of the unique challenges that entrepreneurs face Nigeria is critical and should be complemented by a time bound action plan for each of the stakeholders that can foster entrepreneurship. Entrepreneurship leverages the human capital that Nigeria is endowed with and empowers more people to participate in unleashing Nigeria's potential.

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